

**LYNCHBURG CITY COUNCIL**  
**Agenda Item Summary**  
**REVISED**

MEETING DATE: **July 12, 2005**

AGENDA ITEM NO.: 9

CONSENT:

REGULAR: **X**

CLOSED SESSION:  
(Confidential)

ACTION: **X**

INFORMATION:

**ITEM TITLE: Public Hearing for Proposed Changes to the Vehicle License Fee Process and Billing Periods for Personal Property, Business Personal Property, and Machinery and Tools Taxes**

**RECOMMENDATION:**

- A. Conduct a public hearing regarding the proposal to eliminate the physical issuance of the vehicle decal while continuing to collect the license fee, assess and charge the fee to vehicles with active state registrations; bill annually, collect semi-annually, for the personal property, business personal property, and machinery and tools taxes; bill annually for the license fee and implement filing by exception.
- B. Consider adopting an ordinance to amend and reenact Sections 36 – 127, 36-128, 36-129, 36-130, 36-132, 36-133, 36-135, 36-137, 36-149, 36-149.1, 36-149.2, 36-150, 36-151, 36-171, and 36-176 of the Code of the City of Lynchburg, 1981.
- C. Consider repealing Sections 36-131, 36-134, 36-136, 36-136.1 of the code of the City of Lynchburg, 1981.

**SUMMARY:**

City Council recently approved funding for the purchase of a new personal property tax software program. As the details for program implementation get resolved, now is the best time to consider a conversion to a streamlined, more customer friendly process.

In an effort to address customer service issues as well as implement a major process improvement, staff has researched how to better manage the vehicle license fee (decal) process as well as the associated billing for personal property tax.

Staff recommends the following:

- 1. Eliminate the issuance of a decal
- 2. Assess and charge the license fee as it currently exists to vehicles with active state registrations
- 3. Bill annually (payments due June 1 and December 1) for personal property, business personal property, and machinery and tools taxes
- 4. Bill annually for the license fee on the personal property tax bill (June 1)
- 5. Implement filing by exception

The advantages of this recommendation include eliminating a transaction for citizens of the City; realizing annual estimated cost savings of \$60,000 for advertising, labor, postage, printing, decal cost; eliminating the transfer, replacement and refund process; eliminating the need for citizens to scrape and replace an actual decal; eliminating the opportunity for lost or stolen decals; creating the benefit to businesses and citizens of paying their personal property tax in two installments rather than the full amount currently due November 15<sup>th</sup> of each year.

Disadvantages include the loss of late filing fees of approximately \$90,000 due to the recommendation that the City transition to filing by exception. Also, in the year of implementation, accelerating the collection of half the personal property, business personal property and machinery and tools taxes from November to June will have an impact on the citizens and the business community due to an unplanned June payment. In order to assess

the impact of the accelerated payment for businesses that operate on a business year other than the calendar year (i.e. fiscal year), staff contacted four large businesses and several accounting firms having small to large practices. The large businesses indicated that each month a portion of the taxes is reflected as an expense and therefore there would be no impact on their annual income and only a minor impact upon their cash flow. The accounting firms noted that, except for non-profits and colleges that virtually the rest of their clients operate on a calendar basis and this change would have no impact on income. An additional disadvantage would be that law enforcement officers would not be able to easily determine if the vehicle license fee has been paid since a decal would not be displayed. Enforcement will occur through the Department of Motor Vehicles (DMV) Stop Program. Under this program, after being notified by the City's Billings and Collections Division, DMV prevents citizens from obtaining a valid registration unless personal property taxes have been paid. Under this proposed program, vehicle license fee payment would be monitored by the DMV Stop Program as well.

Staff researched other localities in the state to determine if other First Cities have eliminated the vehicle decal. The cities of Norfolk and Virginia Beach have eliminated the decal and locally Campbell County and Amherst County are considering the same. Norfolk has eliminated the requirement for a decal but they still charge the license fee as a separate line on the personal property tax bill. Virginia Beach partnered with the State Department of Motor Vehicles (DMV) to combine payment of the local and state registration fee at the DMV.

For implementation purposes, it is recommended that these changes become effective January 1, 2006. The City would experience a one-time infusion of funds due to the first half-year personal property, business personal property and machinery and tools tax being due June 1, 2006. It is estimated that this would generate approximately \$6.0 million in unanticipated one-time revenue in FY 2006. However, it is recommended that the vehicle license fee period be changed to a calendar year (January 1- December 31) to correspond with the personal property tax year. Due to pro-ration of the fee, this change in the vehicle license fee period would result in a one-time, first year revenue loss of approximately \$450,000.

PRIOR ACTION(S): May 24, 2005, Work Session

BUDGET IMPACT: See Attachment A

CONTACT(S): Mitchell Nuckles, Commissioner of Revenue 455-3871  
Donna Witt, Assistant Director of Financial Services 455-3968  
Michael Hill, Director of Financial Services 455-4218  
Bonnie Svrcek, Deputy City Manager 455-3987

ATTACHMENT(S): Attachment A  
Ordinance amending Sec 36 – 127 – 149.2 of City Code

REVIEWED BY: lkp

<b>Revised Fiscal Impact Regarding the Proposed Changes to the Vehicle License Fee Process and Billing Periods for Personal Property, Business Personal Property, and Machinery and Tools Taxes</b>		
<i>June 6, 2005</i>		
	<b>Recurring Impact</b>	<b>One-time Impact</b>
<b>Loss of late filing fees due to filing by exception</b>	<b>\$ (90,000)</b>	
<b>One-time revenue from transition to twice yearly billing</b>		<b>\$ 6,000,000</b>
<b>One-time loss of vehicle license fee revenue due to pro-ration</b>		<b>\$ (450,000)</b>
<b>Projected Expenditure Savings</b>		
Purchase of Decals	\$7,000	
Temporary Personnel	20,000	
Lunch for staff due to shortened lunch time	1,200	
Printing and Forms	10,000	
Postage and Mailing	20,000	
Billings and Collections staff overtime	9,500	
Advertising	1,800	
Deputy Sheriff	480	
<b>Total Expenditure Savings</b>	<b>\$69,980</b>	
<b>Projected Potential Revenues:</b>		
Additional Interest Earned by receiving personal property payments 5 months earlier	\$57,000	
Implementation of a \$30 Administrative Fee for DMV Stops	\$72,000	
<b>Total Projected Revenues</b>	<b>\$129,000</b>	
<b>Revised Fiscal Impact</b>	<b>\$ 108,980</b>	<b>\$ 5,550,000</b>
<b>Vehicle Decals Sold in 2005 (includes trucks weighing more than 10,000 lbs.)</b>	<b>49,300</b>	
<b>Potential Reduction in the Vehicle License Fee (formerly the decal fee)</b>	<b>\$ 2.21</b>	
Vehicles with a gross weight less than 4,000 lbs = reduction from \$29.50 to \$27.30		
Vehicles with a gross weight less than 4,000 lbs = reduction from \$34.50 to \$32.30		

## ORDINANCE

AN ORDINANCE TO AMEND AND REENACT SECTIONS 36-127. DEFINITIONS; 36-128. REQUIRED; 36-129. EXEMPTIONS; 36-130. AMOUNT OF LICENSE FEES; 36-132. PERSONAL PROPERTY TAX AND PARKING TICKET PREREQUISITE; 36-133. TRANSFERS; 36-135. REFUNDS; 36-137. PENALTIES; 36-149. TAX RATES—TANGIBLE PERSONAL PROPERTY IN GENERAL; EXEMPT HOUSEHOLD PROPERTY; 36-149.1. PERSONAL PROPERTY TAX ON MOTOR VEHICLES, TRAILERS AND BOATS; 36-149.2. EXEMPTION FOR LYNCHBURG LIFE SAVING & FIRST AID CREW, INC.; 36-150. SAME—PERSONAL PROPERTY OF PERSONS, FIRMS OR CORPORATIONS NOT TAXED ON CAPITAL AND NOT HAVING A HOME OFFICE IN CITY; 36-151. SAME—MACHINERY USED IN CERTAIN MANUFACTURING AND MINING BUSINESSES; 36-171. WHEN TAX INSTALLMENTS DUE; PENALTY; PARTIAL PAYMENTS; AND 36-176. REFUNDS OF LOCAL LEVIES ERRONEOUSLY PAID OF THE CODE OF THE CITY OF LYNCHBURG, 1981; AND TO AMEND AND REENACT THE CODE OF THE CITY OF LYNCHBURG, 1981, BY REPEALING SECTIONS 36-131. MOTOR VEHICLE CARRIERS; 36-134. DUPLICATES; 36-136. DISPLAY OF PLATES; AND 36-136.1 REGIONAL ENFORCEMENT OF MOTOR VEHICLE LICENSES THE AMENDED AND REPEALED SECTIONS RELATING .

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

**1. That Sections 36-127, 36-128, 36-129, 36-130, 36-132, 36-133, 36-135, 36-137, 36-149, 36-149.1, 36-149.2, 36-150, 36-151, 36-171 and 36-176 of the Code of the City of Lynchburg, 1981, be and the same are hereby amended and reenacted as follows:**

### **Sec. 36-127. Definitions.**

The words and phrases used in this division indicating kinds or types of vehicles shall have the same meanings ascribed to them as are set out in Section 46-~~2-100~~ 4-4 of the Code of Virginia, 1950, and acts amendatory thereto.

The term "resident of the city," as used herein, shall be construed to embrace any person having a place of abode in the city, irrespective of any intention on the part of any person to return to or to establish a residence outside the city at some future time.

The term "resident of the city" shall also be construed as embracing any corporation or firm having an office or place of business in the city.

Where any license ~~fee tax~~ set forth in this division is based on the "weight" of the vehicle, the manufacturer's shipping weight shall be used in determining the same.

As used in this article, the term "gross weight" means the aggregate weight of a vehicle or combination of vehicles and its load.

~~As used in this article the words "plate," "plates," "tag" or "tags," shall be considered to include and mean "or decal" or "sticker." In the event a decal or sticker is issued in lieu of a metal plate, it shall be displayed on the windshield of the vehicle for which issued, at the option of the motor vehicle owner, on either the upper edge of the center of the windshield or on the windshield adjacent to the left or right side of the official state inspection sticker, or at such other place on the windshield as may be designated by the superintendent of the department of state police. The decal or sticker shall be permanently attached to the windshield and shall be displayed twenty-four (24) hours a day.~~

### **Sec. 36-128. Required.**

(a) Every person having a place of residence in the city shall pay an annual license ~~fee tax~~ on every motor vehicle, ~~with an active state registration, owned, kept or operated~~ by such person in the city; and every person having a place of business in the city shall pay an annual license ~~fee tax~~ on every motor vehicle, ~~with an active state registration, owned~~ ~~operated~~ by such person in the city in or in conjunction with such business; and every person not having a place of residence or business within the city, but who habitually operates a motor vehicle in the city in furtherance of some business or occupation carried on within the city, shall pay an annual license ~~fee tax~~ on every motor vehicle so used, at the rates hereinafter set forth; and such person shall ~~purchase a city license plate~~ pay an annual license fee for each of such vehicles within thirty (30) days of purchasing a state license plate for such vehicle, or within thirty (30) days of becoming a resident of the city or within thirty (30) days of beginning to operate a motor vehicle or vehicle on the streets of the city.

(b) Any person residing temporarily or permanently within the city who shall operate therein a motor vehicle bearing license plates issued by a jurisdiction other than the state, shall ~~purchase a city license plate~~ pay an annual license fee for such motor vehicle at such time as, under the laws of the state, a state license plate is required for such motor vehicle.

### **Sec. 36-129. Exemptions.**

(a) ~~No city motor vehicle license plate license fee shall be required for upon~~ any motor vehicle used by a vehicle dealer or vehicle manufacturer when such vehicle is being used exclusively for sales purposes; nor ~~upon for~~ any motor vehicle on which similar ~~taxes or fees~~ have been paid to a county, city or town of which the owner of such vehicle was a resident; nor ~~upon for~~ any motor vehicle belonging to any person who is not a resident of the city when such vehicle is used exclusively for pleasure or personal transportation and not for hire; nor shall any license ~~plate fee~~ be required ~~on for~~ any vehicle which the city is prohibited from the imposition of a license ~~fee tax~~ by the laws of the state, and especially as so limited by Section 46.2-755 4-66 of the Code of Virginia, 1950, as amended.

(b) Pursuant to the authority granted by section 46.2-752 of the Code of Virginia the following vehicles are exempt from the ~~purchase of local motor vehicle licenses~~ payment of a license fee:

(1) Motor vehicles that are owned by volunteer rescue squads that operate within the city and which are used for emergency calls.

(2) One motor vehicle owned and used personally by any active member of a volunteer rescue squad that operates within the city. ~~The active members of a volunteer rescue squads shall be required to obtain a free decal from the city and affix it to their vehicles in accordance with the provisions of this division. On or before June April 1 of each year any member of a volunteer rescue squad who is a city resident and who desires a free decal license fee to be waived shall furnish the city collector's office with a certificate signed by the chief or head of the rescue squad verifying that the volunteer is an active member of the rescue squad who regularly responds to emergency calls or regularly performs other duties for the rescue squad. No refunds shall be made for decals purchased license fees paid by the members of a volunteer rescue squad.~~

### **Sec. 36-130. Amount of license fees.**

Effective March 1, 2005 the annual license fee hereby imposed on motor vehicles shall be in addition to any other property tax on motor vehicles and shall be as follows:

(a) Passenger vehicles: The annual license fee to be paid for motor vehicles, trailers and semitrailers

designed and used for the transportation of passengers shall be as follows:

- (1) Twenty-nine dollars and fifty cents (\$29.50) for a private motor vehicle other than a motorcycle with a normal seating capacity of not more than ten (10) persons, and weighing less than four thousand (4,000) pounds, ~~including the driver, or thirty four dollars and fifty cents (\$34.50) if the vehicle weighs more than four thousand (4,000) pounds. , if such private motor vehicle is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire or is not operated under a lease without a chauffeur.~~
- (2) Twenty nine dollars and fifty cents (\$29.50) for a school bus owned and operated by a private school or private bus owned and operated by a charitable organization in connection with its work.
- (3) Twenty nine dollars and fifty cents (\$29.50) for a noncollapsible trailer or semitrailer designed for use as living quarters for human beings.
- (4) Twenty nine dollars and fifty cents (\$29.50) for a taxicab and other vehicles kept for rent or for hire operated with a chauffeur for the transportation of passengers and weighing less than four thousand (4,000) pounds, or thirty four dollars and fifty cents (\$34.50) if the vehicle weighs more than four thousand (4,000) pounds. This subsection shall not apply to vehicles used as common carriers nor shall it apply to ambulances operating under a certificate of public convenience and necessity issued under Chapter 5 of this code.
- (5) Twenty one dollars (\$21.00) for a motorcycle.
- (6) Twenty nine dollars and fifty cents (\$29.50) for a bus used exclusively for transportation to and from Sunday school or church for the purpose of divine worship.

The manufacturer's shipping weight or scale weight shall be used for computing all taxes required by this section to be based upon the weight of the vehicle.

(b) Vehicles other than passenger vehicles: The annual license fee to be paid for all motor vehicles, ~~trailers and semitrailers~~ not designed and used for the transportation of passengers shall be an amount to be determined by the gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the maximum capacity for which it is registered and licensed, by the state pursuant to applicable provision of Title 46.2 of the Code of Virginia, 1950, as amended, according to the schedule herein set forth; provided, however, that the fee for the license fee for said motor vehicles, ~~trailers and semitrailers~~ shall not exceed two hundred eighty seven dollars and thirty cents (\$287.30). For each thousand pounds of gross weight, or major fraction thereof, for which any such vehicle is registered by the state, there shall be paid to the city motor vehicle license officer the fee indicated in the following schedule immediately opposite the weight group into which such vehicle, or any combination of vehicles of which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed; provided that in no case shall the license fee be less than thirty four dollars and fifty cents (\$34.50) nor more than two hundred eighty seven dollars and thirty cents (\$287.30).

# SCHEDULE

Gross weight group (pounds)	License fee per thousand pounds of gross weight
10,000 and less	\$3.45
10,001 - 11,000	\$3.45
11,001 - 12,000	\$3.45
12,001 - 13,000	\$3.45
13,001 - 14,000	\$3.45
14,001 - 15,000	\$3.45
15,001 - 16,000	\$3.60
16,001 - 17,000	\$4.00
17,001 - 18,000	\$4.40
18,001 - 19,000	\$4.80
19,001 - 20,000	\$5.20
20,001 - 21,000	\$5.60
21,001 - 22,000	\$6.00
22,001 - 23,000	\$6.40
23,001 - 24,000	\$6.80
24,001 - 25,000	\$6.90
25,001 - 26,000	\$6.95
26,001 - 27,000	\$8.25
27,001 - 28,000	\$8.30
28,001 - 29,000	\$8.35
29,001 - 34,000	\$8.45
Over 34,000	maximum fee \$8.45

(c) Collapsible trailers, trailers and semitrailers not designated and used for transportation of passengers: The license fees for collapsible trailers, trailers and semitrailers not designated and used for the transportation of passengers shall be as follows:

Registered Gross Weight	Fee
1 - 1,500 lbs.	\$ 8.00
1,501 - 4,000 lbs.	\$18.50
4,001 lbs. and above	\$23.00

(d) Vehicles transporting well-drilling machinery: The annual license fee to be paid for any motor vehicle, trailer or semitrailer upon which well-drilling machinery is attached and which is permanently used solely for transporting such machinery shall be fifteen dollars (\$15.00).

(e) When fees due and payable: License fees for all vehicles shall be due and payable on the ~~fifteenth~~ first day of June in each year. All license fees levied by this section shall be paid ~~to the city motor vehicle officer who shall issue the license at such places as may be designated from time to time by the city manager with the first installment of personal property taxes.~~

(f) Proration: The annual license fees paid on a motor vehicle that acquires a situs within the city after ~~April 15~~ January 1 of a tax year shall be prorated by paying the following percentages of the annual fee:

Period	Percentage
<del>March 1 – April 30</del> <u>January 1 – February 28</u>	<u>100%</u>
<del>May 1 – May 31</del> <u>March 1 – March 31</u>	<u>92%</u>
<del>June 1 – June 30</del> <u>April 1 – April 30</u>	<u>84%</u>
<del>July 1 – July 31</del> <u>May 1 – May 31</u>	<u>76%</u>
<del>August 1 – August 31</del> <u>June 1 – June 30</u>	<u>68%</u>
<del>September 1 – September 30</del> <u>July 1 – July 31</u>	<u>60%</u>
<del>October 1 – October 31</del> <u>August 1 – August 31</u>	<u>52%</u>
<del>November 1 – November 30</del> <u>September 1 – September 30</u>	<u>44%</u>
<del>December 1 – December 31</del> <u>October 1 – October 31</u>	<u>36%</u>
<del>January 1 – January 31</del> <u>November 1 – November 30</u>	<u>28%</u>
<del>February 1 – February 28</del> <u>December 1 – December 31</u>	<u>20%</u>

(g) Conflict with state law: Nothing in this section shall be construed as imposing a license fee on any such vehicle in excess of the amount authorized to be imposed by the laws of the state.

~~(h) Each fiduciary shall file the returns mentioned in this section with the commissioner of the revenue. The commissioner of revenue will use the file by exception method for each fiduciary mentioned in this section, as per Section 58.1-3518.1 of the Code of Virginia, 1950, as amended. upon~~

(i) All city taxes for each year or fiscal year on tangible personal property assessed under this section shall be paid pursuant to the provisions of Section 36-171

### **Sec. 36-132. Personal property tax and parking ticket prerequisite.**

~~(a) No officer, agent or employee of the city authorized to issue any motor vehicle license plate required under the provisions of this division shall issue any motor vehicle license plate to any person unless and until such person shall exhibit to such officer, agent or employee evidence of filing, signed by the commissioner of the revenue, or his designee, setting forth that the taxable tangible personal property annual filing has been made. The requirements of this section shall be in addition to the requirements of existing law but shall not be applicable to any person who, under the laws of the commonwealth, was not legally assessable with personal property for the preceding tax year. Any person falsely certifying to any fact required to be certified by this section shall be deemed guilty of a class 4 misdemeanor. Any officer, agent or employee authorized to issue a motor vehicle license plate who shall issue the same in violation of this section shall be guilty of a misdemeanor.~~

~~(a b)~~ No motor vehicle, trailer or semi-trailer shall be licensed by the city unless and until the applicant for such license shall have produced satisfactory evidence to the city motor vehicle license officer of the following: (i) that all personal property taxes upon the motor vehicle, trailer or semi-trailer to be licensed have been paid which have been properly assessed or are assessable against the applicant by the city; (ii) that any delinquent personal property taxes assessed or assessable by the city on any other motor vehicle, trailer or semi-trailer previously or currently owned by the applicant have been paid; and, the personal property taxes assessed or assessable by the city on any tangible personal property used or usable as a dwelling titled by the department of motor vehicles and owned by the applicant have been paid.

~~(b e)~~ No motor vehicle, trailer, or semitrailer shall be licensed by the city unless all fines owed to the city by the owner of the vehicle, trailer, or semitrailer for violation of the city's ordinances governing parking of vehicles have been paid. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of ~~renting~~ leasing motor vehicles.



### Sec. 36-133. Transfers.

(a) Any person who has paid a license ~~tax~~ fee required by this division and who sells or transfers a motor vehicle, trailer, or semitrailer, currently licensed in the city, may have the current city license ~~plate~~ fee assigned to another vehicle of like design and weight titled in such owner's name according to the provisions of state law, without the payment of any additional license fee. ~~Should such person have been issued a license decal in lieu of a license plate for such vehicle, such person shall, upon furnishing to the city motor vehicle license officer proof by affidavit or otherwise, satisfactory to such officer, that the license decal has been removed from the vehicle for which it was originally issued and destroyed, and upon the payment of a fee of one dollar (\$1.00), such person shall be issued a new license decal for such other vehicle requiring same.~~ In the event such other vehicle shall be of greater weight or of larger capacity than the one for which the license was originally issued and paid, such person shall pay, ~~in addition to said fee of one dollar (\$1.00),~~ an amount equal to the difference between the license paid and the one required to be paid for such other vehicle.

(b) Upon the death of the owner of a motor vehicle, trailer or semitrailer, the city license ~~plate or license decal~~ fee paid for assigned said vehicle shall continue in force as a valid license until the end of the year for which the license is ~~issued~~ paid, or until the ownership of the vehicle is transferred before the end of the license year by the executor or administrator of the estate of the deceased owner or by a legatee or distributee of the estate

### Sec. 36-135. Refunds.

(a) Any person ~~holding a current city~~ who has paid a current license ~~plate fee or license decal~~ who moves to another state and takes their vehicle with them or who disposes of the vehicle for which the license ~~plate or decal~~ fee was ~~issued~~ paid and does not purchase another vehicle, may, upon furnishing to the city motor vehicle license officer proof by affidavit or otherwise, satisfactory to such officer, ~~that the vehicle has been moved to another state or that the license plate or decal has been removed from the vehicle for which it was originally issued and destroyed, together with a sworn statement addressed to the director of the finance department setting forth that the vehicle for which the license plate or license decal fee was issued paid has been moved to another state or sold, request of the director of a refund of the unused portion of the city license fee tax paid; for such license plate or license decal, the form of which statement and request to be furnished by the city motor vehicle license officer, and to contain such other information as the director of the finance department and license officer may deem pertinent.~~ Upon certification by the license officer that the vehicle has been moved to another state, ~~or that the proper license plate or license decal has been removed from the vehicle for which it was originally issued and destroyed, and that the vehicle for which the license plate or license decal fee was issued paid has been sold and properly transferred according to the provisions of state law,~~ the director of the finance department shall refund to the applicant the following percentages of the total cost of the license ~~tax~~ fee paid. ~~for such city license plate fee or license decal:~~

Period	Percentage
<del>March 1 – April 30</del> <u>January 1 – February 28</u>	<u>100%</u>
<del>May 1 – May 31</del> <u>March 1 – March 31</u>	<u>92%</u>
<del>June 1 – June 30</del> <u>April 1 – April 30</u>	<u>84%</u>
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<del>January 1 – January 31</del>	<u>November 1 – November 30</u>	<u>28%</u>
<del>February 1 – February 28</del>	<u>December 1 – December 31</u>	<u>20%</u>

Any person desiring a refund must apply for such refund prior to ~~February 28~~ April 30 of the succeeding tax year. All refunds shall be paid out of current revenues and charged against current motor vehicle license funds.

(b) Except as provided in this section, no other refund shall be made.

### **Sec. 36-137. Penalties.**

~~(a) Any person who operates, parks or who allows the parking of any motor vehicle, trailer or semitrailer on any public street or public right-of-way, or on any privately owned street, mall or parking area that is open to the public or utilized for public use within the Lynchburg city limits without the payment of the required license fee required or without displaying the city decal shall be guilty of a class 4 misdemeanor be punished by a fine of one hundred dollars (\$100.00) and a violation may not be discharged by payment of the fine and no portion of the fine may be suspended or discharged except upon presentation of satisfactory evidence that the required license fee decal has been paid obtained and properly displayed upon the motor vehicle, trailer or semitrailer.~~

~~(b) Any person who shall display, cause or permit to be displayed any fictitious or altered city license decal, or have in his possession any such decal, knowing the same to be fictitious or to have been altered, shall be deemed guilty of a class 2 misdemeanor.~~

### **Sec. 36-149. Tax rates—Tangible personal property in general; exempt household property.**

(a) Effective on and after July 1, 2004, for the fiscal year beginning July 1, 2004 and ending June 30, 2005, and also for each and every fiscal year thereafter beginning July first and ending June thirtieth, of each such year, unless otherwise changed by council, on each one hundred dollars (\$100.00) of the assessed value of the following-named personal property, there shall be a tax of three dollars and eighty cents (\$3.80) for the purpose of establishing and maintaining the public schools of the city and for the purpose of providing the interest on loans negotiated and bonds issued and to be issued by the city for school purposes, and for general governmental purposes, to wit: ~~horses, mules, asses, jennets, cattle, sheep, goats, hogs, vehicles of all kinds, books, pictures, mechanics' tools, machinery, farming implements, watches, clocks, musical instruments of all kinds, the aggregate value of household and kitchen furniture, value of all gold and silverware, plated ware and jewelry, and the market value of all other tangible personal property not specifically enumerated including the property separately classified by Sections 58.1-3503, 58.1-3506 and 58.1-3521 of the Code of Virginia, 1950 as amended;~~ except and provided that household goods and personal effects owned and used by an individual or by a family or household incident to maintaining an abode which are defined as separate items of taxation and classified by 58.1-3504 and 58.1-3505 of the Code of Virginia, 1950, as amended, are exempt from the tax imposed by this section, effective for the fiscal year beginning July 1, 1973 and ending June 30, 1974 and for each fiscal year thereafter.

~~(bc) Each fiduciary shall file the returns mentioned in this section with the commissioner of the revenue having jurisdiction. The commissioner of revenue will use the file by exception method for each fiduciary mentioned in this section as per section 58.1-3518.1, Code of Virginia, as amended.~~

~~(cd) All city taxes for each year or fiscal year on tangible personal property assessed under this section shall be paid pursuant to the provisions of Section 36-171.~~

### **Sec. 36-149.1. Personal property tax on motor vehicles, trailers and boats.**

(a) Tax liability. There shall be a personal property tax at the rate established in Section 36-149 on motor vehicles, trailers and boats (taxable property) which have a situs within the city on January first of each year and which acquire a situs within the city on or after January second, 1985, and all years thereafter. When taxable property acquires a situs within the city on or after January second, the personal property tax for that year shall be prorated on a monthly basis. When taxable property with a situs in the city is transferred to a new owner, personal property tax will be assessed to the new owner prorated on a monthly basis for the portion of the tax year during which the new owner owns the taxable property. For purposes of proration, a period of more than one-half (1/2) of a month shall be counted as a full month and a period of less than one-half (1/2) of a month shall not be counted. All taxable property shall be assessed as of January first of each year or, if it acquires situs or has its title transferred after January first, as of the first day of the month in which the taxable property acquires situs within the city or has its title transferred.

(b) Refunds. When any taxable property loses its situs within the city or its title is transferred, the taxpayer shall be relieved from personal property tax and receive a refund for personal property tax already paid, prorated on a monthly basis, upon application to the commissioner of the revenue; provided, that application is made within three (3) years from the last day of the tax year during which the taxable personal property lost situs or had its title transferred. No refund of less than five dollars (\$5.00) shall be issued to a taxpayer, unless specifically requested by the taxpayer. No refund shall be made if the taxable property acquires a situs within the Commonwealth in a non pro-rating locality. When any taxable property loses its situs within the city and acquires a situs within another state the taxpayer shall not be entitled to a refund except upon a showing of sufficient evidence that the taxpayer has been assessed and has paid taxes on such taxable property for the remainder of the tax year to such state.

(c) Filing dates. ~~Returns of all taxable property with a situs within the city on January first of a tax year shall be filed on or before April fifteenth February twenty-eighth of each tax year.~~ Returns of all Taxable property which acquires a situs within the city or which has its title transferred after January first of a tax year shall be filed within thirty (30) days of the date on which situs is acquired or title is transferred.

(d) Payment dates. Taxes on all taxable property with a situs within the city on January first of each year shall be paid in two installments of June first and December first ~~on or before November fifteenth~~ of such tax year. Taxes on all taxable property which acquires a situs within the city or has its title transferred after January first of a tax year ~~and before the City's first cut-off date for the preparation of personal property tax bills for the tax year shall be paid~~ in two installments of June first and December first ~~on or before November fifteenth~~ of the tax year. Taxes on all taxable property which acquires a situs within the city or has its title transferred after ~~the tax year~~ May 1 shall be paid ~~on the last day of the month or before February fifteenth within fourteen days from the date of assessment of the following tax month year.~~

(e) Late payment penalty. Any person who fails to pay any personal property taxes on or before the installment due dates as provided above shall incur a penalty of ten per cent (10%) of the total amount of the tax levied, including any amount to be paid by the Commonwealth, which penalty shall become a part of the taxes due. If tax years 2005 and prior are not paid on or before September 1, 2006, the person is required to remit the total amount of the personal property tax levy, including any amount which was to be paid by the Commonwealth. All applicable penalties and interest shall apply.

(f) Exemption when taxes paid elsewhere in commonwealth. An exemption from this tax and penalties arising therefrom shall be granted for any tax year or portion thereof during which the property was legally assessed by another jurisdiction in the commonwealth, and such tax on the assessed property was paid.

(g) Notwithstanding any other provisions of this chapter, the provisions of this section shall also apply to all motor vehicles, trailers and boats used in a trade or business which acquire a situs within the city during a tax year.

**Sec. 36-149.2. Exemption for Lynchburg Life Saving & First Aid Crew, Inc.**

(a) The motor vehicles of volunteer members of the Lynchburg Life Saving & First Aid Crew, Inc. as set forth below are declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property.

(b) The motor vehicle must be owned by the volunteer member or leased by the volunteer member and the volunteer member must be obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle and said vehicle is regularly used by said volunteer member to respond to calls of the Lynchburg Life Saving and First Aid Crew, Inc.

(c) The minimum eligibility and participation requirements and the form of the certification required by this section shall be approved by the city council.

(d) The volunteer shall furnish the commissioner of the revenue with a certification by the chief of the volunteer group by April 14<sup>5</sup> of each year that the volunteer is a member of the volunteer crew who regularly responds to calls or regularly performs other duties, and the motor vehicle owned or leased by the volunteer member shall be identified. The commissioner of revenue shall be authorized, in his discretion, and for good cause shown and without fault on the part of the volunteer, to accept a certification after the April 14<sup>5</sup> deadline.

(e) Each household shall be allowed only one special classification under this section.

(f) A replacement vehicle may be certified and classified pursuant to this section when the vehicle certified at the immediately prior certification date is transferred during the tax year.

(g) No tax shall be levied upon the aforesaid classification of personal property.

**Sec. 36-150. Same—Personal property of persons, firms or corporations ~~not taxed on capital and not having a home office in city.~~**

Effective on and after July 1, 2004, for the fiscal year beginning July 1, 2004 and ending June 30, 2005, and also for each and every fiscal year thereafter beginning July first and ending June thirtieth of each year, unless otherwise changed by council, all tangible personal property employed in a trade or business ~~persons not taxed on their capital and not having their home office in this city~~ shall pay a tax of three dollars and eighty cents (\$3.80) on each one hundred dollars (\$100.00) of all personal property in the city; and should such person decline to give the commissioner of the revenue a list within the time specified by law, or within thirty (30) days of the necessary blank forms having been mailed or delivered to such person, the commissioner shall at once proceed to assess the property as he deems fair and just.

Every taxpayer owning any of the property mentioned in this section, on January first of any year, shall file a return thereof with the commissioner of the revenue on the form so prescribed. Such return shall be filed on or before February fifteenth of each year.

**Sec. 36-151. Same—Machinery used in certain manufacturing and mining businesses.**

Effective on and after July 1, 1972, for the fiscal year beginning July 1, 1972, and ending June 30, 1973, and also for each and every fiscal year thereafter beginning July first and ending June thirtieth of each such

year, unless otherwise changed by council, on each one hundred dollars (\$100.00) of the assessed value of all machinery and tools, except machinery and equipment used by farm wineries as defined by Section 4-2(10A) of the Code of Virginia, used in the manufacturing, mining, processing or reprocessing, radio or television broadcasting, dairy, dry cleaning or laundry business, pursuant to Section 58.1-3507 of the Code of Virginia, 1950, as amended, there shall be a tax of three dollars (\$3.00) for the purpose of establishing and maintaining the public schools of the city and for the purpose of providing the interest and sinking fund on loans negotiated and bonds issued by the city for school purposes, and for general governmental purposes.

Provided, however, that on and after July 1, 1984, for the fiscal year beginning July 1, 1984, and ending June 30, 1985, and for each fiscal year thereafter until the year ending June 30, 1995, any business firm which may be designated as a "qualified business firm" pursuant to the provisions of Chapter 22, Title 59.1 of the Code of Virginia, 1950, as amended, the Urban Enterprise Zone Act, shall receive the following tax credits: For the first two tax years for which the firm is assessed this tax, there shall be a one hundred per cent (100%) tax credit; for the third year a seventy-five per cent (75%) tax credit; for the fourth year a fifty per cent (50%) tax credit, and for the fifth year a twenty-five per cent (25%) tax credit. Thereafter, the tax shall be at the rate provided for in this section. Any business firm which may be designated as a "qualified business firm" on or after July 1, 1995 pursuant to the provisions of Chapter 22, Title 59.1 of the Code of Virginia, 1950, as amended, (the Urban Enterprise Zone Act), shall be entitled to the following tax credits: For the first three (3) tax years for which the firm is assessed this tax, there shall be a one hundred per cent (100%) tax credit, and for the fourth and fifth years a fifty per cent (50%) tax credit. Thereafter the tax shall be at the rate provided for in this section.

Provided, however, that on and after July 1, 2002, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, and for each fiscal year thereafter, any business which is designated as a "technology business" and which business locates in either of the city's technology zones on or after July 1, 2002, shall receive the following tax reimbursements: For the first three (3) tax years for which the business is assessed this tax, there shall be a one hundred per cent (100%) tax reimbursement; and, for the next two (2) tax years for which the business is assessed this tax a fifty per cent (50%) tax reimbursement.

Every taxpayer owning any of the property mentioned in this section, on January first of any year, shall file a return thereof with the commissioner of the revenue on the form so prescribed. Such return shall be filed on or before February fifteenth of each year.

#### **Sec. 36-171. When tax installments due; penalty; partial payments.**

(a) Effective on and after July 1, 1974, one-fourth of the city tax assessed on real estate for each fiscal year shall be paid to the city collector between November first and November fifteenth, inclusive, of the fiscal year for which the tax is assessed, one-fourth shall be paid to the city collector between January first and January fifteenth, inclusive, of the fiscal year for which the tax is assessed, one-fourth shall be paid to the city collector between March first and March fifteenth, inclusive, of the fiscal year for which the tax is assessed, and the remaining one-fourth paid to the city collector between May first and May fifteenth, inclusive, of the fiscal year for which said tax is assessed.

(b) If any installment of taxes due on any particular piece of property shall not be paid as and when due as above set forth, said installment shall at once become due and collectible with ten (10) per cent penalty thereon.

(c) All city taxes for each year or fiscal year on tangible personal property, assessed under section 36-149 of this code, and all city taxes for each year or fiscal year on machinery and tools, assessed under section 36-151 of this code, shall be paid to the city collector in two installments on June 1 and December 1

~~between November first and November fifteenth~~, inclusive, of the year or fiscal year for which the tax is assessed.

(d) If any city taxes due on any tangible personal property for any year or fiscal year assessed under section 36-149 of this code, or on machinery and tools, assessed under section 36-151 of this code, shall not be paid as and when as above provided, then the same shall have added thereto the penalty of ten (10) per cent on the total amount of taxes levied, including any amount to be paid by the Commonwealth.

(e) Interest at the rate of eight (8) per cent per annum from the first day of the month following the month in which taxes on real estate, tangible personal property and machinery and tools are required to be paid shall be collected upon the principal and applicable penalty then remaining unpaid. Effective on and after July 1, 1995, interest at the rate of ten (10) per cent per annum from the first day of the month following the month in which taxes are required to be paid, shall be collected upon the principal and applicable penalty remaining unpaid. No penalty for the failure to pay a tax or installment shall exceed ten (10) percent of the tax past due, or in the case of tangible personal property ten (10) percent of the tax levied, including any amount paid by the Commonwealth, or the sum of ten dollars (\$10.00), whichever is greater; provided, however, that the penalty shall in no case exceed the amount of tax levied.

(f) Effective on and after July 1, 1995, whenever the city utilizes the services of an attorney or collection agency to collect delinquent taxes on subjects other than real estate, reasonable attorney's fees or collection agency's fees shall be added to the amount of the delinquent tax bill. The attorney's fees or collection agency's fees shall not exceed twenty (20) per cent of the delinquent tax bill upon nonpayment. Attorney's fees shall be added only if such delinquency is collected by action at law or suit in equity. No tax assessment or tax bill shall be deemed delinquent and subject to the collection procedures prescribed herein during the pendency of any administrative appeal under Section 58.1-3980 of the Code of Virginia, 1950, as amended, so long as the appeal is filed within ninety days (90) of the date of the assessment, and for thirty (30) days after the date of the final determination of the appeal.

(g) The city shall collect an administrative fee from each person who owes delinquent taxes or other delinquent charges to cover the administrative costs associated with the city's collection of delinquent taxes and other charges. Such administrative fee shall be in addition to all penalties and interest, and shall be thirty dollars (\$30.00) for taxes or other charges collected subsequent to thirty (30) or more days after notice of delinquent taxes or charges pursuant to §58.1-3919 of the Code of Virginia but prior to the taking of any judgment with respect to such delinquent taxes or charges, and thirty-five dollars (\$35.00) for taxes or other charges collected subsequent to judgment. If the collection activity is to collect on a nuisance abatement lien, the fee for administrative costs shall be one hundred fifty dollars (\$150.00) or twenty-five percent (25%) of the cost, whichever is less; however, in no event shall the fee be less than twenty-five dollars (\$25.00). The city shall also collect from each person who owes delinquent taxes and other delinquent charges reasonable attorney's fees or collections agency fee's actually contracted for. The attorney's or collection agency's fees shall not exceed twenty percent (20%) of the taxes or other charges so collected. No tax assessment or tax bill shall be deemed delinquent and subject to the collection procedures prescribed herein during the pendency of any administrative appeal under Section 58.1-3980 of the Code of Virginia, so long as the appeal is filed within ninety (90) days of the date of the assessment, and for thirty (30) days after the date of the final determination of the appeal, provided that nothing in this paragraph shall be construed to preclude the assessment or refund, following the final determination of such appeal, of such interest as otherwise may be provided by general law as to that portion of the tax bill that has remained unpaid or was overpaid during the pendency of such appeal and is determined in such appeal to be properly due and owing.

## **Sec. 36-176. Refunds of local levies erroneously paid.**

(a) Any local levies or classes of levies within the meaning of Title 58.1, ~~Chapter 22, Article 2,~~ Code of Virginia (1950), as amended, erroneously paid shall be refunded to the taxpayer as hereinafter provided. If the commissioner of the revenue is satisfied that he has erroneously assessed any applicant with any local levies as provided in Sections ~~58.1-3981, 58-1141 and 58-1142,~~ Code of Virginia, as amended, he shall certify to the city collector the amount erroneously assessed. If the levies have not been paid, the applicant shall be exonerated from payment of so much thereof as is erroneous, and if such levies have been paid, the city collector or his successor in office shall refund to the applicant the amount erroneously paid, together with any penalties and interest paid thereon; provided, however, that no such refund, including penalties and interest, shall exceed the sum of one thousand dollars (\$1,000.00).

(b) Erroneously paid taxes refunded under the provisions of this section shall be repaid with interest at the same rate imposed by the city for delinquent taxes; provided, however, if such erroneous payments were in any way due to the fault or negligence of the taxpayer no interest shall be paid on the refund of the erroneously paid taxes. Such interest shall run from the date such taxes were required to be paid or were paid, whichever is later.

(c) When the commissioner of the revenue who made the assessment has been succeeded by another person, such person shall have the same authority as the commissioner making the original erroneous assessment, provided he makes diligent investigation to determine that the original assessment was erroneously made and certifies thereto to the city collector and to the city council.

(d) No refund shall be made in any case when application therefor was made more than three (3) years after the last day of the tax year for which such taxes were assessed.

## **2. That the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted by repealing Sections 36-131. Motor Vehicle Carriers; 36-134.Duplicates; 36-136.Display of Plates; 36-136.1 Regional enforcement of motor vehicle licenses; .**

### **~~Sec. 36-131. Motor vehicle carriers.~~**

~~(a) The annual charge imposed upon any motor vehicle carrier for the privilege of using the streets, road, routes and bridges of the city shall be as hereinafter set forth, and said charge shall be in addition to any and all other licenses and taxes levied under the laws of the state or the ordinances of the city on said motor vehicle carrier. Such charge shall be for each mile operated over the public streets, roads or routes, including bridges, of the city, during the year for which said license is issued, and shall be as follows:~~

~~(1) On any vehicle weighing five thousand (5,000) pounds or less, one-fifth cent (\$0.002) per mile;~~

~~(2) On any vehicle weighing over five thousand (5,000) pounds and less than fifteen thousand (15,000) pounds, two-fifths cent (\$0.004) per mile;~~

~~(3) On any vehicle weighing more than fifteen thousand (15,000) pounds, three-fifths cent (\$0.006) per mile.~~

~~(b) The charges described under this section shall be estimated as hereinafter prescribed, and such estimated charges (subject, however, to adjustment in the following year) shall be paid annually in advance at the time of registration. After the initial registration, registration shall be renewed annually on or before the first day of April January.~~

~~(c) At the time of registration, a motor vehicle carrier which has not used the streets of the city during the preceding calendar year shall pay charges for the current year upon the basis of a certified estimate of the use of the streets to be made during such year; provided, however, a proper adjustment of charges on the basis of actual operations during such year shall be made at the time of the next succeeding registration in the year following, at which time such motor vehicle carrier shall pay to the city any underpayment, or the city shall refund or credit on the then current annual charge of such motor vehicle carrier any overpayment occasioned by any difference between the estimated and the actual operations of such motor vehicle carrier.~~

~~(d) At the time of registration, a motor vehicle carrier which has used the streets of the city during the preceding calendar year may either pay charges for the current year on a basis of such certified estimated described in paragraph (c), or may pay charges for such current year on the basis of its operations within the city during the preceding calendar year; provided, however, that in either event a proper adjustment of charges, as set forth in paragraph (c), shall be made at the time of the next succeeding registration in the year following.~~

#### **~~Sec. 36-134. Duplicates.~~**

~~In the event any license decal issued under this Division shall be lost or stolen after the city has made delivery of the decal to the vehicle owner or the owner's agent, the vehicle owner shall pay the decal fee in full to obtain a duplicate license decal. In other instances of lost or stolen license decals, the person to whom the decal was issued shall make application for and obtain a duplicate or substitute therefor upon furnishing information of such fact, by affidavit or such other evidence that is satisfactory to the director of finance, and upon the payment of the fee of one dollar (\$1.00) for each duplicate or substitute license decal. In instances of decal mutilation or vehicular damage, the person to whom the decal was issued shall make application for and obtain a duplicate or substitute therefor upon furnishing either a portion of the mutilated decal or a paid repair bill for the damage which states that the decal was mutilated as part of the vehicular damage or repair, and upon the payment of the fee of one dollar (\$1.00) for each duplicate or substitute license decal.~~

#### **~~Sec. 36-136. Display of plates.~~**

~~Every motor vehicle, trailer or semitrailer licensed in the city shall have shown on the rear or the front thereof a city license plate, which shall be displayed at all times and maintained in such condition that the numbers thereon shall at all times be clearly legible.~~

#### **~~Sec. 36-136.1 Regional enforcement of motor vehicle licenses.~~**

~~(a) Pursuant to the authority granted by sub-section 46.2-752(k) of the Code of Virginia, 1950, as amended, the city hereby enacts an ordinance requiring the owner or operator of any motor vehicle, trailer, or semitrailer to display while in the city, a valid local license issued by any jurisdiction who requires a license and has entered into a compact with the city pursuant to Virginia Code Section 46.2-752(k), provided that the owner or operator is required by the jurisdiction of situs, as provided in Virginia Code section 58.1-3511, to obtain and display such license.~~

~~(b) It shall be unlawful for any person to operate a motor vehicle, trailer, or semitrailer on any street, highway, road, or other traveled way in the city unless a valid local license decal issued by the situs jurisdiction of such vehicle is displayed thereon as required by the ordinance of the situs locality. The fact that a license tax of the situs jurisdiction has been paid on such vehicle after a violation of this ordinance shall have occurred shall not bar prosecution for a violation of this section.~~



~~(c) Any violation of this section shall constitute a class 4 misdemeanor, the punishment ranges for which are set forth in Virginia Code section 18.2-11.~~

~~(d) When the operator of the motor vehicle is the owner of the cited vehicle a violation may not be discharged by payment of the requisite fine except upon presentation of satisfactory evidence that the required license has been obtained. When the operator of the vehicle is not the owner of the cited vehicle a violation may be discharged by payment of the requisite fine. Any fine paid under this section shall be deposited to the credit of the general fund of the city and no accounting need be made thereof to the situs jurisdiction of any such vehicle.~~

**3. That this ordinance shall become effective upon its adoption.**

Adopted:

Certified: \_\_\_\_\_  
Clerk of Council

095L